



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2684

by Rep. Greg Harris

SYNOPSIS AS INTRODUCED:

See Index

Provides that the Act may be referred to as the Medicaid Reform Research Act. Provides that, given that Illinois' Medical Assistance Program is undergoing a transition to managed care for Medicaid populations subject to the Medicaid Reform Act of 2011, the Save Medicaid Access Together (SMART) Act of 2012, and other Acts affecting Medicaid populations and delivery systems, a lawful and well-regulated dissemination of Medicaid data to qualified researchers is the best way to create accurate and creative unbiased analysis and information about Illinois' Medical Assistance Program that will lead to better health outcomes at a lower cost. Amends the Commission on Government Forecasting and Accountability Act. Provides that the Commission on Government Forecasting and Accountability may, subject to appropriations, coordinate and enter into agreements with the Department of Healthcare and Family Services and certain institutions and entities for research on medical assistance managed care or other State medical assistance programs pursuant to the analysis purposes of the State-Funded Health Care Quality Assurance and Research Fund. Contains provisions concerning individual patient medical claims information provided by the Department to those institutions and entities and other matters. Amends the State Finance Act. Creates the State-Funded Health Care Quality Assurance and Research Fund to provide the General Assembly with an independent analysis on certain matters, including the efficacy of State managed care programs to improve continuity of care, ensure adequate provider participation, and maintain appropriate utilization of health services. Provides that the Fund shall consist of certain moneys, including transfers from the Healthcare Provider Relief Fund and other matters. Effective immediately.

LRB099 09532 KTG 29740 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be referred to as the
5 Medicaid Reform Research Act.

6 Section 5. Findings. Whereas Illinois' Medical Assistance
7 program is undergoing a transition to managed care for Medicaid
8 populations subject to the Medicaid Reform Act of 2011, the
9 Save Medicaid Access Together (SMART) Act of 2012, and other
10 Acts affecting Medicaid populations and delivery systems; and

11 Whereas Illinois possesses an abundance of academic
12 research entities with expertise in the academic fields related
13 to health care practices, health outcomes, special needs
14 populations, and health care delivery design, the General
15 Assembly finds that:

16 (1) A lawful and well-regulated dissemination of
17 Medicaid data to qualified researchers is the best way to
18 create accurate and creative unbiased analysis and
19 information about Illinois' Medical Assistance Program
20 that will lead to better health outcomes at a lower cost.

21 (2) Accurate research findings should be made
22 available to the General Assembly from a variety of
23 independent qualified research entities.

1 (3) As Illinois' Medical Assistance Program transforms
2 from a fee-for-service system to a system based on
3 capitated contracts, there must be sufficient transparency
4 in those contracts to allow for evaluation of their
5 effectiveness by the General Assembly through receipt of
6 data analysis performed by qualified independent research
7 institutions.

8 (4) Any data received under this Act must be used
9 solely for research purposes by the research entity; and
10 the confidentiality of any data provided to authorized
11 individuals pursuant to this Act must be maintained in
12 accordance with the provisions of this Act and other
13 applicable laws.

14 (5) Any use of the data for commercial purposes in
15 violation of this Act shall be subject to the fines and
16 penalties specified in the State Finance Act, including the
17 loss of access to data.

18 Section 10. The Commission on Government Forecasting and
19 Accountability Act is amended by changing Section 3 as follows:

20 (25 ILCS 155/3) (from Ch. 63, par. 343)

21 Sec. 3.

22 (a) The Commission shall:

23 (1) Study from time to time and report to the General
24 Assembly on economic development and trends in the State.

1 (2) Make such special economic and fiscal studies as it
2 deems appropriate or desirable or as the General Assembly
3 may request.

4 (3) Based on its studies, recommend such State fiscal
5 and economic policies as it deems appropriate or desirable
6 to improve the functioning of State government and the
7 economy of the various regions within the State.

8 (4) Prepare annually a State economic report.

9 (5) Provide information for all appropriate
10 legislative organizations and personnel on economic trends
11 in relation to long range planning and budgeting.

12 (6) Study and make such recommendations as it deems
13 appropriate to the General Assembly on local and regional
14 economic and fiscal policy and on federal fiscal policy as
15 it may affect Illinois.

16 (7) Review capital expenditures, appropriations and
17 authorizations for both the State's general obligation and
18 revenue bonding authorities. At the direction of the
19 Commission, specific reviews may include economic
20 feasibility reviews of existing or proposed revenue bond
21 projects to determine the accuracy of the original estimate
22 of useful life of the projects, maintenance requirements
23 and ability to meet debt service requirements through their
24 operating expenses.

25 (8) Receive and review all executive agency and revenue
26 bonding authority annual and 3 year plans. The Commission

1 shall prepare a consolidated review of these plans, an
2 updated assessment of current State agency capital plans, a
3 report on the outstanding and unissued bond
4 authorizations, an evaluation of the State's ability to
5 market further bond issues and shall submit them as the
6 "Legislative Capital Plan Analysis" to the House and Senate
7 Appropriations Committees at least once a year. The
8 Commission shall annually submit to the General Assembly on
9 the first Wednesday of April a report on the State's
10 long-term capital needs, with particular emphasis upon and
11 detail of the 5-year period in the immediate future.

12 (9) Study and make recommendations it deems
13 appropriate to the General Assembly on State bond
14 financing, bondability guidelines, and debt management. At
15 the direction of the Commission, specific studies and
16 reviews may take into consideration short and long-run
17 implications of State bonding and debt management policy.

18 (10) Comply with the provisions of the "State Debt
19 Impact Note Act" as now or hereafter amended.

20 (11) Comply with the provisions of the Pension Impact
21 Note Act, as now or hereafter amended.

22 (12) By August 1st of each year, the Commission must
23 prepare and cause to be published a summary report of State
24 appropriations for the State fiscal year beginning the
25 previous July 1st. The summary report must discuss major
26 categories of appropriations, the issues the General

1 Assembly faced in allocating appropriations, comparisons
2 with appropriations for previous State fiscal years, and
3 other matters helpful in providing the citizens of Illinois
4 with an overall understanding of appropriations for that
5 fiscal year. The summary report must be written in plain
6 language and designed for readability. Publication must be
7 in newspapers of general circulation in the various areas
8 of the State to ensure distribution statewide. The summary
9 report must also be published on the General Assembly's web
10 site.

11 (13) Comply with the provisions of the State Facilities
12 Closure Act.

13 (14) For fiscal year 2012 and thereafter, develop a
14 3-year budget forecast for the State, including
15 opportunities and threats concerning anticipated revenues
16 and expenditures, with an appropriate level of detail.

17 (b) In addition to any other powers and duties, the
18 Commission may, subject to appropriations, coordinate and
19 enter into agreements with the Department of Healthcare and
20 Family Services and State universities, Tier I and Tier II
21 academic medical centers as defined in the Illinois Public Aid
22 Code, or other entities as designated by the Department of
23 Healthcare and Family Services for research on medical
24 assistance managed care or other State medical assistance
25 programs in accordance with the analysis purposes for which the
26 State-Funded Health Care Quality Assurance and Research Fund is

1 created, as specified in Section 6z-101 of the State Finance
2 Act. As used in this subsection, "research" means a systematic
3 investigation, including research development, testing, and
4 evaluation, that is designed to develop or contribute to
5 generalizable knowledge.

6 Notwithstanding any other provisions of law to the
7 contrary, subject to appropriations or funds made available by
8 agreement through the Commission, the Department of Healthcare
9 and Family Services is authorized and directed to provide the
10 individual patient medical claims information, including
11 individual data for services provided through capitated
12 contracts, concerning recipients of medical assistance to the
13 following institutions and entities for the analysis purposes
14 for which the State-Funded Health Care Quality Assurance and
15 Research Fund is created, as specified in Section 6z-101 of the
16 State Finance Act:

17 (1) State universities.

18 (2) Tier I and Tier II academic medical centers as
19 defined in the Illinois Public Aid Code.

20 (3) Associations incorporated in Illinois that (i)
21 possess demonstrated research capacity and an
22 institutional review board that is in compliance with the
23 U.S. Health and Human Services' Office for Human Research
24 Protections and (ii) are determined by the Department of
25 Healthcare and Family Services to represent a broad number
26 of providers who serve recipients of medical assistance

1 provided under Article V of the Illinois Public Aid Code.

2 (4) Other entities designated by the Department of
3 Healthcare and Family Services for the analysis purposes
4 for which the State-Funded Health Care Quality Assurance
5 and Research Fund is created, as specified in Section
6 6z-101 of the State Finance Act.

7 The patient medical claims information provided (i) shall
8 include only the Medicaid recipient identification number,
9 which shall not be de-identified, and any other individual
10 medical patient data that has been de-identified in accordance
11 with the federal Health Insurance Portability and
12 Accountability Act of 1996 (HIPAA) so as to qualify as a
13 "limited data set" and (ii) shall be shared only in accordance
14 with HIPAA.

15 The Commission, the Department of Healthcare and Family
16 Services, and the entities listed in paragraphs (1) through (4)
17 of this subsection must enter into data sharing agreements and
18 business associate agreements to ensure privacy protection and
19 HIPAA compliance and to safeguard the security and
20 confidentiality of the patient medical claims information
21 provided by the Department. The Department of Healthcare and
22 Family Services shall make as much data available as possible
23 in order to promote transparency and unencumbered data
24 analysis.

25 The data shall be shared electronically with each
26 participating entity on a State fiscal year basis once the data

1 year is considered complete, and not longer than 8 months after
2 the close of the State fiscal year. A complete State fiscal
3 year data set shall be based on dates of service during a State
4 fiscal year and shall be considered complete when sufficient
5 time has occurred after the end of the State fiscal year to
6 process all claims and make corrections to improperly filed
7 claims.

8 Participating institutions and entities may, at their own
9 expense and consistent with rules adopted by the Department of
10 Healthcare and Family Services, produce research reports
11 related to the purposes of this amendatory Act of the 99th
12 General Assembly, provided that all patient medical claims
13 information provided in any such report has been aggregated and
14 de-identified. Participating institutions and entities may not
15 use such patient medical claims information for commercial
16 purposes or otherwise transfer such patient medical claims
17 information to any other entity. Nothing in this amendatory Act
18 of the 99th General Assembly shall be construed as prohibiting
19 a participating institution or entity from partnering with
20 another entity voluntarily or by contract to produce research
21 reports, so long as no individually identifiable data is shared
22 with the participating institution or entity.

23 The Commission shall report to the General Assembly the
24 findings and recommendations resulting from the research and
25 analyses conducted in accordance with Section 6z-101 of the
26 State Finance Act.

1 (c) The requirement for reporting to the General Assembly
2 shall be satisfied by filing copies of the report with the
3 Speaker, the Minority Leader and the Clerk of the House of
4 Representatives and the President, the Minority Leader and the
5 Secretary of the Senate and the Legislative Research Unit, as
6 required by Section 3.1 of the General Assembly Organization
7 Act, and filing such additional copies with the State
8 Government Report Distribution Center for the General Assembly
9 as is required under paragraph (t) of Section 7 of the State
10 Library Act.

11 (Source: P.A. 96-958, eff. 7-1-10.)

12 Section 15. The State Finance Act is amended by adding
13 Section 6z-101 as follows:

14 (30 ILCS 105/6z-101 new)

15 Sec. 6z-101. State-Funded Health Care Quality Assurance
16 and Research Fund.

17 (a) The State-Funded Health Care Quality Assurance and
18 Research Fund is created. The Fund shall consist of:

19 (1) receipts from State fund transfers, including
20 transfers from the Healthcare Provider Relief Fund;

21 (2) contributions from participating institutions and
22 entities as provided in subsection (c); and

23 (3) any receipts from the federal government related to
24 expenditures from the Fund.

1 All interest earned on moneys in the Fund shall be
2 deposited into the Fund.

3 (b) The Fund shall be appropriated to the Commission on
4 Government Forecasting and Accountability. The purpose of the
5 Fund is to fund an independent analysis of each of the
6 following:

7 (1) The efficacy of State managed care programs to
8 improve the patient's experience with healthcare, to
9 improve the health of Medicaid populations, and to reduce
10 healthcare costs.

11 (2) The efficacy of the Department of Healthcare and
12 Family Services in monitoring healthcare outcomes in
13 managed care and other healthcare settings.

14 (3) Any possible gaps in healthcare for Medicaid
15 populations served by the State and recommendations on how
16 to close them.

17 (4) Successful outcomes and best practices in
18 improving the health of Medicaid populations and the
19 quality of care while reducing the cost.

20 (5) The efficacy of State managed care programs to
21 improve continuity of care, ensure adequate provider
22 participation, and maintain appropriate utilization of
23 health services.

24 (6) In combination with other data sources, the impact
25 of managed care on the social determinants of health as
26 well as on non-clinical outcomes such as employment and

1 educational attainment.

2 (7) The degree to which appropriate mechanisms are in
3 place to assess the internal quality assurance processes of
4 the Department of Healthcare and Family Services.

5 (c) The following institutions and entities may choose to
6 participate in the Fund and the associated research by
7 contributing not more than \$250,000 into the Healthcare
8 Provider Relief Fund annually:

9 (1) State universities.

10 (2) Tier I or Tier II academic medical centers as
11 defined in the Illinois Public Aid Code.

12 (3) Associations incorporated in Illinois that possess
13 demonstrated research capacity and an institutional
14 research board and that, as determined by the Department of
15 Healthcare and Family Services, represent a broad number of
16 providers who serve recipients of medical assistance
17 provided under Article V of the Illinois Public Aid Code.

18 (4) Other entities as designated by the Department of
19 Healthcare and Family Services.

20 Based upon the number of participants, the costs to the
21 Department of Healthcare and Family Services, and the
22 appropriations made to the Department of Healthcare and Family
23 Services and the Commission on Forecasting and Governmental
24 Accountability, the Department shall determine the
25 contribution amount for participants. All participants shall
26 pay the same amount. Each participant shall be refunded the

1 amount it paid into the Fund if (i) the research data described
2 in subsection (b) of Section 3 of the Commission on Government
3 Forecasting and Accountability Act is not provided to the
4 participating entities free of charge or (ii) the research data
5 or similar data is shared with an entity not identified in
6 subsection (b) of Section 3 of the Commission on Government
7 Forecasting and Accountability Act.

8 The State shall transfer into the Fund, from the Healthcare
9 Provider Relief Fund, an amount equal to the contributions made
10 by participating entities.

11 Any use of the data for commercial purposes or for another
12 purpose not authorized under subsection (b) of Section 3 of the
13 Commission on Government Forecasting and Accountability Act
14 shall result in: (i) no access to the data for a period of one
15 year after the data year the last data set had been received;
16 (ii) no refund of the fees authorized under this Section; and
17 (iii) a civil penalty of \$2,500 for each violation, which shall
18 be deposited into the State-Funded Quality Care and Research
19 Fund.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.

1

INDEX

2

Statutes amended in order of appearance

3

25 ILCS 155/3

from Ch. 63, par. 343

4

30 ILCS 105/6z-101 new